

# **TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**Minutes**  
**July 26, 2007**  
**1:30 p.m.**

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The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, May 24, 2007 in Nashville, Tennessee at 1:00 p.m. Chairman John Jones, Commissioner Cynthia Bond and Commissioner Harlan Mathews were present. Executive Director Danielle Elks, Assistant Director Carolyn Smith, CLEO Mark Hutchens, SAC Mike Cawthon, SA Debra Warren, SA Amy Farmer and SA Brad Allison were present.

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- 1. The Minutes for June 21, 2007 Commission Meeting were approved.**
- 2. RETAIL PACKAGE STORES**

## **OLD BUSINESS**

### **A. BERNIE'S C & S LIQUOR STORE MEMPHIS, TENNESSEE (SHELBY COUNTY)**

<b>Licensee/Seller:</b>	<b>Walter Murphy</b>
<b>Applicant/Buyer:</b>	<b>Bernadette Murphy</b>

Before the Commission is a request for a transfer ownership of the retail store located at 2211 Chelsea in Memphis, Tennessee. Ms. Bernadette Murphy wishes to purchase the business from her father, Walter Murphy, for \$1000.00. Ms. Murphy is leasing the property from the Estate of Nathan Friedman for \$900 per month for a period of three years. **Issue:** In March, 2006, Ms. Murphy pled guilty to selling alcohol to a minor. T.C.A §57-3-210(d) prohibits any person who has been convicted of any offense involving the sale, possession, transportation, storing, manufacturing or otherwise handling intoxicating liquors from holding a retail license. All documentation has been submitted with the exception of the following:

- a. Payment of outstanding citations.

### **Discussion/Action Taken:**

Director Elks reviewed the application to the Commission and stated that this matter was continued from the June meeting because Ms. Bernadette Murphy pled guilty to selling alcohol to a minor, therefore, she cannot own a retail package store. Director Elks recommended that the Commission defer the application until the August Commission meeting so Ms. Murphy can have her conviction of sale to a minor expunged from her record. Commissioner Bond made a motion to defer the application to the August Commission meeting. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**NEW BUSINESS**

**A. CHARLES BURSI LIQUORS  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

**Seller/Licensee:** Robert Cardosi, Jr.  
**Buyer/Applicant:** Nancy Curtis

Before the Commission is a request for a transfer of ownership of the retail store to be located at 2344 Deaderick in Memphis, Tennessee. Ms. Nancy Curtis intends to initially invest approximately \$150,000 in the business. Financing is based upon a loan with Trust One Bank. Ms. Curtis is leasing the property from Catherine Freeburg for \$5400/month for a period of one year. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commission and stated that all documentation has been received and she recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**B. HILLTOP PACKAGE STORE  
OAK RIDGE, TENNESSEE (ANDERSON COUNTY)**

**Licensee:** Hilltop Package Store, Inc.  
**Stockholder:** J.M. Anderson  
**Applicant:** Brenda Anderson

Before the Commission is a request for a transfer of ownership for the retail license located at 344 Illinois Avenue, in Oak Ridge, Tennessee. Mr. J.M. Anderson recently passed away. He bequeaths all his property to his wife, Brenda Anderson. Ms. Anderson is requesting to be added as the sole stockholder of the corporation. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commission and stated that all documentation has been received and she recommended approval. Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**C. PARKWAY PACKAGE STORE  
LEWISBURG, TENNESSEE (MARSHALL COUNTY)**

**Seller/Licensee: Janet Darnell**  
**Buyer/Applicant: Thomas Mark Brown**

Before the Commission is a request for a transfer of location of the retail business currently located at 306 North Ellington Parkway, in Lewisburg, Tennessee. Mr. Brown intends to initially invest \$50,000 in the business--\$25,000 of which is for inventory. Financing is based upon a promissory note with William Brown, who is also the owner of the property. The terms of the lease are for five years at \$2500/month. All documentation has been submitted with the exception of the following:

- a. Financial check on William Brown.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commission and stated that all documentation has been received with the exception of the financial check on William Brown. Director Elks recommended approval upon submission of the financial check on William Brown. Commissioner Mathews made a motion to approve upon submission of the financial check on William Brown. Commissioner Bond seconded the motion and it passed with 3 ayes.

**D. QUEEN CITY LIQUORS  
CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)**

**Seller/Licensee: Ashok Bhagchand**  
**Buyer/Applicant: Rajan Daswani**

Before the Commission is a request for a transfer of ownership of the retail store located at 1232 Tyler Town Road, in Clarksville, Tennessee. Mr. Daswani is purchasing the store from Mr. Bhagchaud for \$100,000—including inventory. Financing is based upon the sale of 30% interest in the property to Mohan Thawardas for \$70,000, and the remaining is financed through a loan with Legends Bank. Mr. Daswani will be leasing the property from Surya, Inc for five years, \$1250/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the Rules/Regulations.

**Discussion/Action Taken:**

Rajan Daswani was present at the meeting. Director Elks reviewed the application to the Commission and stated that the TABC Inspection and acknowledgement of the Rules and Regulations have been received by the staff. Director Elks recommended approval. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**E. VIC’S PACKAGE STORE  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

**Applicant:** Vic’s Package Store, LLC

**Members:** Garrett Jernigan

Before the Commission is a request for a new package store to be located at 102 Stekoa Lane, in Knoxville, Tennessee. Mr. Jernigan will initially invest \$50,000 in the business: financing is based upon a gift from his father, Victor Jernigan. If approved, GNR Development, LLC will purchase the property for \$790,000, and lease the property to the applicant for \$8500/month for a period of 3 years. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Financial check on Victor Jernigan.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commission. Director Elks recommended approval upon submission of the Use and Occupancy permit and the financial check on Victor Jernigan. Chairman Jones made a motion to approve upon submission of the remaining documentation. Commissioner Bond seconded the motion and it passed with 3 ayes.

**3. WINERIES**

The TABC has received emergency notification from Commissioner Ken Givens, Department of Agriculture, that due to the freeze conditions in April, 2007, and subsequent drought conditions, approximately 80% of the grape and fruit crop has been lost for this year. The Department of Agriculture has confirmed the non-existence or non-availability of the following grapes and fruits:

Grapes: Alwood, Baco Noir, Cabernet, Cabernet Franc, Cabernet Sauvignon, Campbell's Early, Catawba, Cayuga, Chambourcin, Chancellor, Ghardonelle, Chardonnay, Concord, Cynthiana, De Chaunac, Edelweiss, Elvira, Foch, Fredonia, Gewurztraminer, golden Muscat, Ives, Kaye Gray, Martha, Merlot, Muscadine, Niagara, Petite Verdot, Pinot Gris, Riesling, Rogeon, Sauvignon Blanc, Seyval Blanc, Shiraz, Steuben, Sunbelt, Syrah, Traminette, Vidal, Viognier, Zinfandel.

Fruit: Apple, Blackberry, Blueberry Cherries, Honey, Peach, Raspberry, Rhubarb, and Strawberries.

Due to the emergency situation, TABC staff has approved the following J-6 Waivers:

**A. Beachaven Vineyards and Winery (Clarksville, Tennessee)**

Blackberry (3300 gallons); Cabernet Sauvignon (2500 gallons), Chardonnay (2000 gallons); Muscadine (5000 gallons); Raspberry (6000 gallons); Syrah (5250 gallons); Viognier (1500 gallons); Catawba (2500 gallons); Chambourcin (1650 gallons); Cayuga White (2750 gallons); and Seyval Blanc (1650 gallons).

**B. Countyside Vineyards and Winery (Blountville, Tennessee)**

Catawba (2000 pounds); Cayuga White (6000 pounds); Chambourcin (4000 pounds); Goulden Muscat (8000 pounds); Merlot (2000 pounds); Muscadine (10,000 pounds); Niagara (2000 pounds); Shiraz (2000 pounds); Steuben (16,000 pounds) and Vidal (3000 pounds).

**C. Highland Manor Winery (Jamestown, Tennessee)**

Seyval Blanc (1100 gallons); Cayuga White (1100 gallons); Catawba (1100 gallons); White Reisling (1100 gallons); Concord (1100 gallons); Chardonnay (550 gallons); Muscadine (5500 gallons); Cabernet Franc (2 tons); Cabernet Sauvignon (3 tons); Merlot (3 tons); Foch (550 gallons); Niagara (1100 gallons) and Chambourcin (1100 gallons).

**D. Holly Ridge Winery (Livingston, Tennessee)**

Gewurztraminer (300 gallons); Riesling (300 gallons); Concord (550 gallons); Seyval (300 gallons); Vidal (300 gallons); Chardonnay (60 gallons); DeChaunac (60 gallons); Cayuga White (300 gallons); Merlot (1 ton); Rhubarb (60 gallons).

**E. Old Millington Winery (Millington, Tennessee)**

Supplemental: Blackberry juice( 2000 gallons); Strawberry juice (2000 gallons)

**F. Stonehaus Winery (Crossville, Tennessee)**

Concord (10,000 gallons); Catawba (4000 gallons); Steuben (5000 gallons); Cayuga (2000 gallons); Niagara (3000 gallons); Seyval (3000 gallons); Muscadine (20,000 gallons); Nerlot (4000 gallons); Chardonnay (3000 gallons); Pinot Gris (3000 gallons); Blackberry (3000 gallons)

**G. Tennessee Valley Winery (Loudon, Tennessee)**

Cherry (2-3 tons); Syrah (4-5 tons); Rielsing (1110 gallons); Merlot (2-3 tons); Concord (5000 gallons); Rhubarb (500 gallons); Chambourcin (550 gallons); Vidal Blanc (550 gallons); and Seyval (1000 gallons).

Supplemental: Blackberry (15000 gallons).

**H. Sumner Crest Winery (Portland, Tennessee)**

Concord (20 tons); Vidal blanc (12 tons); Seyval blanc (6 tons); Riesling (5 tons); Chambourcin (2.75 tons); Dechaumac (2.75 tons); Fredonia (5 tons); Blackberry (15 tons); Chardonnay (5 tons); Niagara (5 tons); Cabernet Sauvignon (6 tons); Merlot (6 tons); Cabernet Franc (6 tons).

**Discussion/Action Taken:**

Director Elks advised the Commission that emergency J-6 Waivers were approved at the June Commission meeting. Director Elks stated that pursuant to the circumstances surrounding the earlier freeze that destroyed a lot of the grape and fruit crop, the Commission gave the staff permission to approve J-6 Waivers as they came into the office. Director Elks stated the wineries J-6 Waivers were approved by the staff. Chairman Jones made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**New Winery:**

**Rocky Top Organic Vineyard and Winery  
Rockford, Tennessee**

**Applicant:** Rocky Top Organic Vineyard and Winery, Inc.  
**Stockholders:** Roger Hooban and Kathleen Butcher

Before the Commission is a request for a new winery to be located at 2818 Honeysuckle Trail in Rockford, Tennessee. Roger Hooban and Kathleen Butcher intend to operate the winery as a corporation and initially invest \$100,000. Financing is based upon an equity line of credit on real estate. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Deed;
- c. Acknowledgment of the rules/regulations;
- d. Loan.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commission. Director Elks recommended approval upon submission of the following documents:

- a. Use and Occupancy permit;
- b. Deed;
- c. Acknowledgment of the rules/regulations;
- d. Loan.

Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**4. WHOLESALE MATTERS**

**Alexsey's Imports Chattanooga**

**Applicant:** Alexsey's Imports Chattanooga, Inc.  
**Stockholders:** Alexi Khimneko

Before the Commission is a request for a new wholesale license to be located at 4295 Cromwell Road, Suite 414 in Chattanooga, Tennessee. Mr. Alexi Khimneko intends to operate the business as a corporation, and initially invest approximately \$100,000. Financing is based upon a line of credit with Prime Trust Bank. The corporation will lease the property from Josephine Bacon Partnership for

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a period of one year at \$1787.50/month. All documentation has been submitted with the exception of the following:

- a. Acknowledgement of the rules/regulations;
- b. Use and Occupancy permit.

### **Discussion/Action Taken:**

Alexei Khimneko was present at the meeting. Director Elks reviewed the application to the Commission. Director Elks stated that the Use and Occupancy permit and the acknowledgment of the rules and regulations had been received by the staff and recommended approval. Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

## **5. ADMINISTRATIVE CITATIONS**

### **A. Margarita Hernandez**

On June 1, 2007, TABC Agent Brad Allison observed Margarita Hernandez serve an alcoholic beverage to a 19-year old confidential informant at La Hacienda Restaurant in Nashville. Ms. Hernandez did not check the minor's identification. An administrative citation was issued, and remains outstanding.

### **Discussion/Action Taken:**

SA Brad Allison was present. Assistant Director Carolyn Smith stated that SA Allison was present and requested SA Allison to state the events that led to the administrative citation for Margarita Hernandez. SA Allison testified that he conducted a minor sting on June 1, 2007. SA Allison testified that he observed the 19-year old female informant enter La Hacienda Restaurant located on Nolensville Road in Nashville and order a margarita from the server, Ms. Hernandez. SA Allison testified that the server did not ask to see the informant's ID. The server mixed the margarita and presented the margarita to the female informant. SA Allison testified that he approached Margarita Hernandez, and informed her that she had sold an alcoholic beverage to a minor. He then issued Ms. Hernandez an administrative citation for the sale of alcohol to a minor.

Assistant Director Carolyn Smith stated that in the past the Commission has upheld the \$250 fine and suspended the server permit for 90 days. Commissioner Mathews made a motion to uphold the \$250 fine and suspend the permit for 90 days. Commissioner Bond seconded the motion and it passed with 3 ayes.



**B. Ana Rodriguez-Soto**

On June 1, 2007, TABC Agent Debra Warren observed Ana Rodriguez-Soto serve an alcoholic beverage to a 19-year old confidential informant at Las Chivas Restaurant in Nashville. Ms. Rodriguez-Soto did not check the minor's identification. An administrative citation was issued, and remains outstanding.

**Discussion/Action Taken:**

SA Debra Warren was present. Assistant Director Carolyn Smith stated that SA Warren was present and requested SA Warren to state the events that led to the issuance of the administrative citation for Ana Rodriguez-Soto. SA Warren testified that she conducted a minor sting on June 1, 2007, at Las Chivas Restaurant. SA Warren testified that she observed the 19-year old female informant enter La Chivas Mexican Restaurant located on Nolensville Road in Nashville and sit at a booth. SA Warren testified that she followed the informant, and stood just inside the front door--a few feet from the informant. SA Warren testified that a female server, Ms. Rodriguez-Soto, approached the 19 year old informant and the informant ordered a margarita from the server. SA Warren testified that the server did not ask to see the informant's ID. SA Warren approached Ana Rodriguez-Soto and informed her that she had sold an alcoholic beverage to a minor. Agent Warren then issued Ms. Rodriguez-Soto an administrative citation for the sale of alcohol to a minor.

Assistant Director Carolyn Smith requested the Commission uphold the \$250 fine and suspend the server permit for 90 days. Commissioner Bond made a motion to uphold the \$250 fine and suspend the permit for 90 days. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**C. Diana Aguilar**

On June 1, 2007, TABC Agent Brad Allison observed Diana Aguilar serve an alcoholic beverage to a 19-year old confidential informant at Las Cazuelas Restaurant in Nashville. Ms. Aguilar apparently checked the minor's identification. An administrative citation was issued, and remains outstanding.

**Discussion/Action Taken:**

SA Brad Allison was present. Assistant Director Carolyn Smith stated that SA Allison was present and requested SA Allison to state the events that led to the administrative citation for Diana Aguilar. SA Allison testified that he conducted a minor sting on June 1, 2007. SA Allison testified that he entered the premises of Las Cazuelas at 4114 Nolensville Road in Nashville and sat at the bar. SA Allison testified that approximately two minutes later his informant went into Las Cazuelas and ordered a margarita from the female bartender. The bartender asked to see the

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informant's ID, handed the ID back to her and then served the informant the margarita. SA Allison testified that he approached Diana Aguilar and informed her that she had sold an alcoholic beverage to a minor. SA Allison issued Ms. Aguilar an administrative citation for the sale of alcohol to a minor.

Assistant Director Carolyn Smith requested the Commission uphold the \$250 fine and suspend the server permit for 90 days. Commissioner Bond made a motion to uphold the \$250 fine and suspend the permit for 90 days. Commissioner Mathews seconded the motion and it passed with 3 ayes.

At the conclusion of the administrative citations, Commissioner Mathews expressed concerns related to the length of suspension of server permits: specifically, Commissioner Mathews requested that the staff review the length of suspensions of server permits stating that servers may not have alternative job opportunities to provide for their families with the server permit suspension. Mr. Hank Hildebrand, counsel for Tennessee wholesalers, requested to be heard, and stated that alternative job opportunities existed for servers with suspended permits. Mr. Hildebrand stated that they could bus tables, cook, etc.

6. **BUDGET** – Director Elks stated that the staff has over-collected approximately \$100,000 for the 2006-2007 budget.
7. **CONSENT ORDERS**
8. **PENDING MATTERS LIST**
9. **MISCELLANEOUS** – Director Elks introduced Cindy Wilson, Personnel Analyst, to the Commissioners.
10. **DATE OF NEXT MEETING** – August 23 and September 27, 2007 at 1:30 p.m.

There being no further business the meeting was adjourned.

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Shari Danielle Elks  
Executive Director

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John A. Jones  
Chairman